Golden Arrow Selected Stocks Fund

For the month ending June 2010

Fund activity during the month

Golden Arrow Selected Stocks Fund (GASSF) posted a return of 2.91% in June 2010 versus KSE-100 (Benchmark) return of 4.24%. The market remained range-bound in June between 9,200 – 9,800. The underperformance for the month and quarter ended June was primarily due to the Fund's underweight position in Oil & Gas sector which held up well during the sharp market pullback from its 2010YTD peak of 10,600 levels in April, mainly because of FPI interest in that sector.

In terms of peer group comparison, GASSF was the second best performing closed-end equity fund for the month of June 2010.

Going forward, based on fundamental outlook, we expect GASSF portfolio holdings to perform well as the market digests the new capital gains tax (CGT) regime and looks beyond it towards June results from listed companies. Corporate earnings outlook for the quarter and year ended June 30, 2010 is generally robust and these will likely get factored into stock prices over the coming two months. For December year-end companies (mainly banks and multi-nationals), the half year results will provide visibility for full-year performance which, in our view, should be superior than in 2009 and help valuations expand from current levels.

Investment Objective

Disciplined and balanced fund management strategy focusing on fundamentally strong companies offering deep-value, coupled with few cherry-picked growth companies

Fund Information

Fund Type	Closed-end
Category	Equity
Date of Fund launch	May, 1983
Date of Manag. takeover	Sep, 2004
Assets under Management	968.518mn
NAV (30th June 10)	6.37
Benchmark	KSE100 Index
Dealing Days	Mon to Fri
Cut-off Timmings	9:00 am to 5:00 pm
Pricing Mechanism	Forward Pricing
Management Fee	2%
Risk Profile	Moderate / High
Trustee	CDC
Auditor	A. F. Fergusons
Asset Manager Rating	AM3

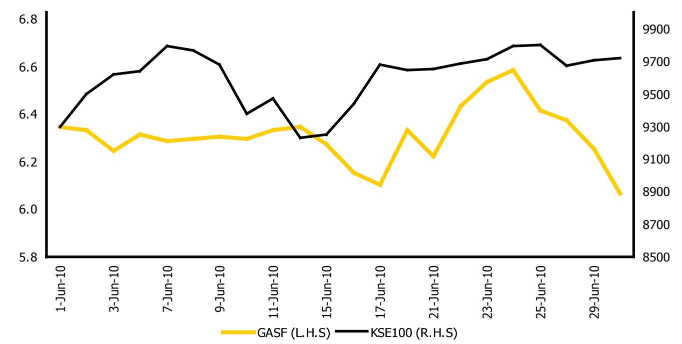
Portfolio Characteristics

Statistics	**FY10E**
Price to Earning Ratio	8.06x
Price to Book Value Ratio	0.85x
EPS Growth	11.70%
Dividend Yield	2.86%
No. of Long Term Positions	62
Beta	0.67

Investment Committee Members

Mr. Nadeem Naqvi	Mr. Imran Motiwala
Mr. Amin Hussain	Mr. Muhammad Yaqoob
Mr. Ahmed Hassan	Mr. Danish Owais

Fund Performance



	YTD	1 Month	3 Month	6 Month	1 Year
KSE 100	35.74%	4.24%	-4.49%	3.57%	35.74%
GASF	16.45%	2.91%	-12.62%	-4.07%	16.45%

Debt Securities (% of NAV)	Ratings	Jun 30, 2010
Al-Abbas Sugar Mills	A+	2.16%
JDW Sugar	A	1.30%

Top Ten Equity Holdings

TRG Pakistan	7.91%	Habib Bank Limited	4.63%
Dawood Hercules	7.21%	Nishat Mills Limited	4.45%
Sui Southern Gas Company	6.88%	Sui Northern Gas Pakistan	3.10%
Pak Datacom Limited	5.71%	Habib Metropolitan Bank	2.87%
D.G. Khan Cement	5.46%	Kohinoor Energy Limited	2.57%

Asset Allocation (% of NAV)	May 31, 2010	Jun 30, 2010
Equities	95.48%	93.31%
TFCs	3.46%	4.73%
Cash	1.06%	1.01%
Other Assets	0.00%	0.35%
Leverage	NIL	NIL

Sector Allocation (% of NAV)	May 31, 2010	Jun 30, 2010
Banks	18.28%	18.28%
Personal Goods	15.90%	15.90%
Chemicals	11.74%	11.74%
Gas Water and Multiutilities	10.93%	10.93%
Support Services	8.98%	8.98%

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